

**far
east**

Reporter

CHINA TRADE

EXCERPTS from

"TRADE WITH CHINA"

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FAR EAST REPORTER herein presents 12 pages
from this 156 page book, a "practical guide
for foreign business men interested in
China trade"

These excerpts, two sections from the book,

1) Answer the question

"WHAT HAS CHINA TO EXPORT?"

2) describe China's current international
trade relations

IN ADDITION

FAR EAST REPORTER adds further documentation
of

CHINA'S INCREASING WORLD-WIDE TRADE

and

ECONOMIC RELATIONS

CHINA'S EXPORT COMMODITIES

Traditional exports

China's foreign trade has a very long history and many of her export commodities are widely known all over the world. The production of such traditional export commodities as silk, tea, egg products, tung oil, bristle, etc., has had considerable development since the Liberation.

Native products exported by China comprise mainly bast fibre and its manufactures, tobacco and its manufactures, small native products of various kinds, wood and timber, nuts, dried vegetables and subsidiary foodstuffs, works of arts and crafts, crude medicines, spices and essential oils. Export commodities in large quantities include ramie, hemp, jute, flue-cured tobacco, sun-cured tobacco, straw braids, rosin, gallnuts, raw lacquer, cassia lignea, menthol crystals, peppermint oil, Tsingee canes, walnut meat, apricot kernels, melon seeds, dates, potato starch, porcelain wares, handicrafts and Chinese medicines.

Chinese porcelain is world famous. Main producing centres of porcelain are the cities of Kingteh in Kiangsi, Shihwan in Kwangtung, Tehhua in Fukien and Liling in Hunan. Porcelain wares for export consist mainly of dinner sets, coffee sets, tea sets, decorative articles and sanitary wares.

Handicrafts from China have always been very popular in foreign countries. They include embroidered table cloth, cushions, quilt-cover, pillow-case as well as portraits of famous persons, landscape and mastery paintings reproduced in embroideries. Jackets, morning gowns, evening dresses, skirts and blouses made of embroidered silk are other exquisite and artistic articles very popular abroad.

Ivory carvings bear vivid resemblance to persons, birds, animals, flowers or insects. They are offered in the forms of vase, cigarette-holder, ornament, chess, or necklace.

Other handicrafts with fine workmanship and national characteristics include lace, table cloths of drawn-work, cut work, cross-stitch, handkerchief, Tuscany lace, straw braids, straw slippers, straw handbags, seagrass mats, jade carvings, cloisonne wares, lacquer wares, artistic glass wares, palace lanterns, silk and paper flowers, bamboo combs, cork landscape piece, silk parasols, umbrellas, sandalwood fans, bone fans, feather fans, paper fans, sheep-skin handbags with flowery designs, buck skin handbags with petite-point tapestry, key holders, purses, gloves and hair nets.

New Changes in export variety

There have been new changes in the variety of Chinese exports as the tempo of China's industrialisation increases. Many new commodities have been added to the export list. It was during the past two or three years that China began exporting some cotton and woollen textiles, building materials, industrial chemicals, articles for daily use and stationeries. Metals, steel products and equipments for complete factories which had never been exported by China were exported during 1955. Other commodities such as soda ash, caustic soda and sodium sulphide which had to be imported in large quantities to meet the needs arising from the work of restoring the national production soon after the Liberation, are now being exported in considerable amount. The exportation of metals, steel products and equipments for complete factories had long been dreamed of but never realized in Old China; now that "dream" has come true. Increase in the export of various manufactured goods has been very rapid. Increase in variety and quantity of manufactured goods exported by China is the best and most concrete evidence of the achievement in economic independance and industrial development after the Liberation. More manufactured goods are expected to be exported and their quality further improved as the nation's industry develops.

Cotton yarn and textiles

Cotton yarns of "Blue Pheonix" and "Double Golden Horses" brands are being exported from China. Cotton piece-goods include such varieties as grey sheeting, dyed sheeting, prints, furnishing and draperies and many others. Grey sheeting is available in the brands of "Dragon Head," "Jumping Fish," "Eagle on Rock" and "Golden City." Dyed sheetings include black cloth, blue cloth, poplin, cotton serge, gabardine, coloured flannelette, striped or checked poplin, etc. There are three types of bleached shirting: "Jumping Fish," "Eagle on Rock" and "Heroine." Prints and printed muslin are also among the exports of cotton piecegoods. They are of superior quality, pleasant design and reasonable price.

Finished products of cotton are being exported by China in greater variety. Knitted cotton or woollen goods include towels, stockings and socks, shirts, underwears, pajamas, bed sheets, bed covers, cotton and woollen blankets, raincoats, clothings, handkerchiefs, gloves, scarves, pillow cases, sewing cotton, shoe-strings, portmanteaux, school bags, etc.

Articles for daily use

Articles for daily use are also being exported in substantial quantities. They include thermo and ice flasks, flashlights and bulbs, batteries, zippers, rubber shoes, locks, kerosene lamps, mast lamps, electric clocks, tooth-paste, tooth-powder and brushes.

Bicycles and sewing machines which had to be imported from abroad are being manufactured in substantial numbers for home consumption as well as for export. Bicycles of "Flying Dove" and "Yong Kiu" brands are manufactured in large and modern Chinese factories. Sewing machines on sale in the home and foreign markets are mainly of the following brands: "Matchless," "Flying Man," "May 1st," "Kuo Hua" and "South China."

Radios, gramophones, records, telephone sets, electric fans, electric bulbs, fluorescent lamps, electric irons and other electric appliances are also among the Chinese exports. Good quality of these products are ensured. China-made electric fans are rated among the best in the world market. Every electric bulb has had to go through very strict inspection and test, thus ensuring an average of 1,000 lighting hours under proper voltage.

Articles for education and sport uses

Paper for export include newsprint, manifold paper, M.G. cap paper, flint paper, kraft paper, woodfree printing paper, strawboard, wrapping paper, drawing paper, cigarette paper, post paper, etc. Newsprint made in China, smooth and durable, is of a quality equal to international standard.

Stationeries made in China are both for home consumption and export. They include fountain pens, pens, pencils, brush pens, carbon paper, stencils, stapling machines, ink, water colours, stamp pad, punches, pencil sharpeners, numbering machines, drawing instruments, printing ink, etc. For sports, China offers volleyballs, basketballs, footballs, shuttlecocks, badmington rackets, ping-pong balls, bats, . . . Musical instruments include harmonicas, organs, gramophones, records, gramophone needles, accordions, violins, cellos, clarinets, saxophones, bassons, oboes, flutes, piccolos and pianos. Toys for children are also popular in foreign markets.

Food and drinks

There is rapid development in the export of Chinese food and drinks; traditional exports are increasing in quantity, the exportation of certain goods which was interrupted immediately before and after the Liberation has been resumed. Many new commodities are being added to the exporting list. Frozen meat and fresh fruit are being exported in increasing quantities. Canned food of which only very limited quantity was available for foreign market before, is being exported in bigger amount every year. The 1954 total of exported canned food is 4.8% more than 1950 and the 1955 total is expected to be more than double the 1954 figure. The prestige of Chinese food in international markets has been consolidated as the quality further improves. Frozen meat, frozen poultry and fruit are very popular

in the Soviet Union and the People's Democracies. Chinese wines and canned food are widely acclaimed among the people in South East Asia and among oversea Chinese.

Canned goods being exported by China contain a great variety of food, including fish, prawns, meat and poultry, all prepared under excellent Chinese cooking method. There are grilled, smoked, stewed, braised, deep-fried and spiced fish, stewed or roasted pork, stewed or curried beef, tomato beef, stewed mutton, stewed rabbit, ox tongue and kidney, hog tongue and kidney, sliced ham, stewed chicken in brown sauce, plain stewed chicken, curried chicken, brown gravy stewed chicken, mushroom stewed chicken, stewed duck in brown sauce, plain stewed duck, mushroom stewed duck, brown gravy stewed duck and brown gravy stewed goose.

Also available are canned fruit and vegetables like pineapples, mandarins, lichees, longans, loquats, bananas, peaches, pears, apricots, cherries, apples, strawberries, crab-apples, grapes, pickle, pepper, green peas, string beans, tomatoes, cauliflower, stewed soyabeans and vegetable noodle.

Foreigners and oversea Chinese are familiar with such famous Chinese wines and spirits as Maotai, Fan, Wukiapi, Bamboo Leaf Green and Shaoshing. Beer, port wine, brandy and even champagne are also available for export.

Chemicals, Metals and Machinery

Many chemicals, metals, steel products and machineries which had to be imported are being exported by China. Some of the goods are listed as embargoed goods by some countries. Chemicals which can be supplied by China include caustic soda, soda ash, sodium sulphide, copper sulphide, bleaching powder, 666, carbolic acid, zinc oxide, benzene dichloride, potassium chloride, trisodium phosphate, ephedrin hydrochloride, calcium lactate, calcium carbonate and naphthalene. Medical equipments being exported include instruments for surgery, ophthalmiatrics, maternity and other uses.

It should be mentioned that lathes, machine tools and other products of the heavy industry have begun to be exported from China. Section steels have been supplied to Burma and Egypt since 1955. Many Asian and African countries are receiving machineries and building materials of various kinds from China. Heavy industry products available for exports include among metals pig iron, antimony regulus, round, square and flat steel bars, steel channels, steel rails, steel angles and joists, seamless steel tubes, cast iron pipes and other material for building purpose. Machineries include various types of lathes, shapers, planers, diesel engines, cranes, drum winches, steam engines, air compressors, steam-rollers, bulldozers, machines for construction, agriculture, food industry and chemical industry and medical equipments. Among electric machineries there are generators, motors,

transformers, capacitors, switch gears, relays, electric furnaces, insulating materials and many household appliances. China also exports such apparatus as microscopes, transits, levels, plain tables and machines for printing, wire drawing, milling and machines for the manufacture of soap, nail, cigarette, match and toothpaste.

Equipment for complete factory

China is now able to supply machines needed to equip complete factories for the manufacture of textiles, cement, paper, flour, as well as timber yard and small-sized power plant. In supplying the material, China also assumes the responsibility of designing, installing, testing the plant until it begins to work in full swing.

As the economic reconstruction projects are being carried out gradually in China, more agricultural and subsidiary products of good quality, more durable and pleasant-looking articles for daily use made by the light industry, and more equipments and machineries produced by the heavy industry will be exported to meet the foreign demand. The Chinese government has always been desirous to develop trade relations with any country in the world on the basis of equality and mutual benefit. The rapid development of China's agriculture and industry creates greater possibility for developing world trade.

China is exporting primarily for acquiring material needed for the nation's economic reconstruction. China is an immense market with 600,000,000 customers whose buying power is being raised continuously. It is natural that imported goods will be increasingly required in China. Petroleum, rubber, cotton, jute, dried coconuts and many others from South East Asian countries and machineries and industrial chemicals from the Western countries can easily find outlet in the Chinese market. China is fully prepared to do her best in developing normal trade among all nations on the basis of equality and mutual benefit with the ultimate objective of promoting independent and self-determining economic relations.

NEW CHANGE IN CHINA'S FOREIGN TRADE

With the rapid restoration and development of her national economy, China's foreign trade has gone through profound changes since the founding of the People's Republic of China.

Development in foreign trade

After 73 years of adverse trade balance for China, a favourable trade balance appeared for the first time in 1950. Trade with foreign countries, increased more than six times during the period 1949-1953, gained further increase since 1953 when China entered the stage of planning national economy which created new demands for imports to meet the requirement of large scale construction projects.

The following table shows the increase in imports and exports during the past few years:

Year	Increase in Percentage
1950	100
1951	143
1952	156
1953	195
1954	204
1955	265

By the end of 1956, China has accomplished 84.55 per cent of the import and export targets as laid down in the First Five-Year Plan. (The Five-Year Plan provides for an increase of 66.5 per cent in the total value of imports and exports from 1952 to 1957.) It is expected that all the targets laid down by the First Five-Year Plan could be fulfilled in 1957 ahead of schedule.

Capital goods occupied the bulk of China's import in recent years. Over 90 per cent of the imports was taken up by capital goods such as complete sets of plant, machine tools, agricultural machines, communication and transportation equipments, petroleum, cotton and chemical fertilisers. Figures given in the following paragraph will show the tremendous amount of capital goods imported into China.

Sets of plant that have been imported or are being imported into China total 245 items. The imports include 20,693 sets of machine tools, 4,250,000 tons of ferrous metals, 4,350,000 tons of petroleum and its products, 2,380,000 tons of chemical fertilisers and 435,000 tons of paper. The majority of these goods were imported during the first three years of the First Five-Year Plan.

Apart from food, oils and fats the exportation of which must be subject to quota fixed by the State, the Ministry of Foreign Trade and its subsidiary organizations succeeded in actively expanding the export of many commodities and in introducing to the markets abroad many new items of exports, especially manufactured goods. The latter held 42.5 per cent in the total amount of exports during 1950, and went up to about 53.9 per cent in 1955. Great improvement in the quality of exported commodities was also achieved. Among those goods which had to be imported to meet the needs, the amount in machine tools, certain industrial chemicals, cement, bicycles, sewing machine is being gradually reduced. Others like cranes, diesel engines, air compressors, textile machineries and telephone equipment are being exported from China to meet the demand in the world market.

Exports handled by all the major ports are increasing

There have been tremendous changes in all the major Chinese ports handling exports in recent years.

Goods handled by Tientsin during 1954 were of the biggest amount ever recorded in the history of that port. Goods handled by that port during the first eight months in 1956 amounted to two times the 1955 total, or more than thirteen times the 1949 total. Trade relations are being maintained between Tientsin and 51 countries in other parts of the world. 405 foreign vessels called at Tientsin during the first half of 1956 whereas only 377 had called at that port during the whole year of 1949. Exports of agricultural and subsidiary products from Tientsin also increased. The amount of many export commodities surpassed the highest level in history. Industrial goods exported from Tientsin include metals, building materials, chemicals, medicine, knitted cotton articles, and other sundry goods. Many commodities which had to be imported such as dinitrochlorobenzene, phenol, iron wire, sulphur, alkalies and newsprint are now being exported. Even glycerine which is on the "embargo" list can be supplied to foreign countries by China in small quantity.

Shanghai has been handling trade with 68 countries in Asia, Africa, Australia and Europe. Of the 6,500 or more items exported from Shanghai, most are industrial goods. Many commodities which had to be imported are now available for export. These include caustic soda, glycerine, film projectors, and microscope. Medium and small-sized steel products which Shanghai began exporting since the second half of 1955 are being shipped out from this east China port. More than 20,000 tons of steel products were exported from Shanghai and further increases were recorded during the second half of the year. The steel products, consisting mainly of building materials, were destined for Egypt, India and a dozen or more other countries. Export commodities from the port of Shanghai have been enjoying very high prestige in international market. Plywood exported from Shanghai were highly praised by customers from over twenty countries. British businessmen pointed out that tests undertaken in London established beyond doubt that plywood from Shanghai could be classified as first-class products in international market. Shanghai leads all the other ports in the world in so far as the quantity and quality of bristle and tung oil are concerned. Silk, egg products, casings and menthol are most welcome in European markets. China green tea is a very popular commodity in North Africa, while cotton piece-goods and paper have been selling quite well in South East Asia markets.

Goods shipped to South East Asia from Fukien ports now number several hundred items. Among them are many industrial products that have never been exported from Fukien, including newsprint and woodfree paper from Fukien Paper Factory, canned fruit and marine fish made by the Amoy Canned Food Factory. Other products assuming an important place among exports from Fukien in recent years include pig iron, rosin, graphite, cured tobacco, pig skin and leather products, and match box wood. Handicraft articles such as years include pig iron, rosin, graphite, cured tobacco, pig skin and

porcelain wares from Teh-hua, wood-painting and lacquer wares from Foochow, artificial flowers, carvings of wood, and other articles for daily use including umbrellas, combs, and Chinese musical instruments are very popular among the people in various parts of South East Asia. A very large quantity of these goods were exported from Fukien ports in the past few years. Sea-products from Fukien are selling well among Asian and African nations including Burma, Ceylon and Indonesia. More than 100 items of traditional Chinese medicines are now being exported from Fukien whereas in pre-Liberation days they only numbered a dozen or so.

There has been big increase in imports and exports handled by Canton. Details are to be found in the article entitled "The ports in Kwangtung, Their Export trade and Export commodities."

General aspect of trade with foreign countries

China's foreign trade policy is that, while strengthening the economic co-operation with the Soviet Union and other People's Democracies, she will now as ever develop trade with Asian and African countries on the basis of equality and mutual benefit and continue to develop import and export trade with Western nations.

While China continues her trade with the Soviet Union and all the People's Democracies, there has been tremendous development in the field of trade between China and the Asian-African countries. There was an increase of 70 per cent in China's trade with Asian-African countries during 1955 as compared with 1954, and the year 1956 saw another increase of 39.4 per cent compared with 1955. China's trade with Western nations, though still lagging behind the 1950 level, has also had considerable development. An increase of 368 per cent over 1954 was registered for 1955 and a further increase of 29 per cent over 1955 was registered for 1956.

Trade with Asian-African nations

China has established trade relations with most of the Asian-African nations. Trade relations were maintained mainly with countries in East Asia and South Asia in the old days. Since a little than a year ago, close trade relations have been firmly established between China and countries in West Asia and Africa.

China signed trade agreements with Egypt in May, 1955, with Syria in November, 1955 and with Lebanon in December, 1955. Immediately after the visit to Egypt in April, 1956, by the Chinese trade delegation, the latter and the Sudanese government, exchanged documents in Khartoum and expressed the common desire to develop trade between the two countries. Visits were also paid to Ethiopia and Libya by representatives of Chinese enterprises. An

exhibition of Chinese tea was held in Morocco. While business circles in Tunis invited a Chinese trade mission to their country, government officials in Rhodesia requested Chinese corporations' representatives to go there to buy tobacco leaves. Businessmen in Turkey, Iran, Nigeria, Ghana and the Union of South Africa all have made contacts with the Chinese national corporations wishing to trade with them.

Particularly interesting is the fact that new expansion has taken place in trade between China and South East Asia nations. Most important are the trade agreement and the economic aid agreement which China signed with Cambodia in April and June, 1956. Despite the fact that trade ban was imposed by Thailand and the Philippines against China, the Thai government recently openly declared that trading with China was legal. During the past year or so, many Chinese commodities have been on sale in shops in Thailand. In spite of strong American pressure, Filipino businessmen still managed to establish contact with Chinese corporations hoping to break the ban and to trade with China.

Trade exchanges between China and Asian-African nations are becoming more and more frequent. In recent years, the Chinese trade delegation led by Mr. Kiang Min, Vice-minister of Foreign Trade visited Syria, Lebanon and Saud Arabia. Another trade delegation led by Mr. Yeh Chi-chuang, Minister of Foreign Trade visited Egypt and Sudan. They were soon followed by another trade mission to Pakistan. Countries in Africa and West Asia were also visited by representatives of Chinese national corporations. Exhibitions sponsored by the China Committee for the Promotion of International Trade were held in Indonesia, India, Pakistan, Syria, Egypt and Japan during the past few years, having established contacts with quite a number of businessmen and other visitors.

Many visitors came to China. China received an official trade delegation from Egypt, followed by another one representing the Government of Cambodia. An Indonesian government trade mission arrived in China in October, 1956, and signed a trade agreement with the Chinese Government. Visitors from many Asian and African nations have also been to China on business purpose, some went as individuals, others in groups. Two trade delegations from Japan have visited China: the first comprising 59 businessmen went in September, 1955 and signed contracts with various Chinese national corporations totalling £12,000,000 in value, the second mission with 36 members went in July, 1956 and signed trade contracts amounting to approximately over £4,000,000. Business was also concluded by groups of businessmen from Singapore and Malaya who arrived in China in August, 1956.

The door to China is wide open. China welcomes all businessmen who are anxious to develop trade relations with her. This is because China is fully aware of the fact that reciprocal visits are one of the best methods of promoting mutual understanding and trade.

Commodities exchanged between China and Asian-African nations have also been increasing in items and quantity.

China has been exporting manufactured goods and native products to South East Asian countries. Bicycles made in China are running in the streets in Singapore, Bangkok and Rangoon; China-made sewing machines are to be found in homes in Djakarta; Chinese beer and canned goods are in every corner in South East Asia. To meet the demand in Asian-African nations progressing towards industrialisation, China supplies them with building materials such as steel products and cement, and with industrial chemicals including caustic soda and soda ash. Salt, coal, rice, soya-bean, cashmere, oils and oilseeds are among the Chinese exports to Japan. Particularly worth mentioning is the supply of a whole cotton textile plant of 20,000 spindles to Burma. Exports from China are no longer restricted to some agricultural products and native produce. They include nowadays manufactured goods of heavy and light industries, even machineries. The economic development in China has created very favourable conditions for the further development of Asian-African trade.

Items of imports to China have also been gradually increasing as public demand in the country rises. Main exports from Asian-African countries such as rubber, cotton, petroleum, non-ferrous metal and coconut oil are all able to find very good market in China. In recent years, many new commodities were known to be in good demand in China: very fine cotton yarn of superior quality from Egypt is now selling in Chinese market; milk cows from Pakistan are favourably received in China; Japanese artificial cotton textiles and wrist watches are being sold in Chinese department stores. This explains why the development of China's economy and the improvement of Chinese people's livelihood could augment the need of imports and be beneficial to trade development.

China's trade with Asian-African nations is developing incessantly. With the fulfillment of the First Five-Year Plan to be followed by the Second Five-Year Plan, trade between China and Asian-African nations is bound to expand further.

Changes in Sino-British trade

Sino-British trade with a history of over a century, was quite often of a very large scale. During the peak year between the two world wars, the value of trade between these two nations amounted to more than £100,000,000. The consensus of opinion is that if normal trade relations could be restored, there would be a very bright prospect for the trade between China and Britain.

The embargo, with its effect beginning to be felt in the second half of 1951, reduced Sino-British trade to less than a half of the 1950 level.

The peoples in both nations especially the British people, are not content with this state of affairs. It is due to this reason that the abnormal situation was rectified to a certain extent in recent years and Sino-British trade recovered somewhat. In 1954, after the Geneva Conference, trade contact between the two countries was widened following the exchange of trade delegations. A group of businessmen representing 270 British manufacturers went to Peking in February, 1955 and signed over 130 contracts with Chinese corporations. Another sets of contracts were signed by the second British trade mission sponsored by the British Committee for the Promotion of International Trade who visited Peking in April the same year.

Bearing in mind the British people's demand for more trade with China, the White Hall announced the sale of a batch of tractors to China in 1956. This was followed by certain relaxation in exports to China. It is obvious, however, that the present position of Sino-British trade is still far from being satisfactory. As predicted by many people, had there not been embargo, trade between China and Britain could have gained much greater increase than at present and trade possibilities much brighter than at any time in the past.

China's trade with France and Italy

Trade between China and France has a very long history. French business circles are highly interested in trade with China.

In an article entitled "Franco-Chinese Trade Would Have Great Development If Commercial Relations Could Be Normalised," the Paris newspaper, "Le Monde", said in July, 1955 that China, proceeding with planned economic reconstruction, "needs primarily various kinds of machinery equipments. Nevertheless, China is also interested in certain consumers' goods, such as wool, vehicles, chemical fertilizers, petroleum products and confectionery." On goods which China could export, "Le Monde" said: "apart from traditional exports like tea, raw silk and oils, China can supply tobacco, animal skin and hair, pigs, fibre, feathers and spices. China has become an exporting country of foodstuffs."

Since the founding of the People's Republic of China, French businessmen have signed several trade agreements with her. The agreements provided for the purchase by French merchants of tea, silk, egg products, vegetable oil, bristle, casings, feathers, hide and skin, soya beans and other China produce. France would sell to China metal plates, steel products, machineries, motor cars, medical equipment, instruments, industrial chemicals, pharmaceuticals and many other commodities.

Italy, on her own initiative, made contacts with China on the question of normalising relations and developing trade. It was pointed out by Chinese authoritative quarters that China had always been willing to develop trade relations with all nations on the basis of equality and mutual benefit. China welcomes Italian Government's desire for development of trade between the two nations.

Trade with other western countries

Since the signing of the barter and payment agreement in Peking in 1953 between China and Finland, the agreement was renewed during the ensuing years. Chinese exports to Finland include oilseeds, tung oil, tea, rosin, bristle, silk textiles and other traditional Chinese exports. Imports from Finland are mainly paper, paper board, machines and metal industrial products.

A Belgium trade delegation visited Peking in 1953. Another Belgium trade mission went to Peking via Hong Kong. As a result of the negotiation carried out in Peking between Mr. L. Tiller, Manager of Belgian Cobelaz Company and the China National Import and Export Corporation, a contract was signed on February 10th, 1956, providing for the sale of 2,250,000 tons of nitrogen fertilizers to China by the Belgium company during the period 1956-1957. The manager of the Belgium company told reporters on the same day that he was confident on the future prospect of Sino-Belgium trade. He said the contract signed with China was "the biggest single contract on the supplying of chemical fertilizers ever signed in the world." He added: "I am quite satisfied with the matter." He confidently predicted: "Believe me, new and bigger contracts will be signed every year from now on." He criticized the embargo as "childish and most unrealistic," and concluded: "If some countries do not want to sell goods to China, she could buy from other countries, and soon you will be seeing China manufacturing the same goods herself."

Trade prospect

Chinese trade circles are of the opinion that difference in social system will not hamper peaceful co-existence and economic co-operation among nations.

As the industrialisation in China progresses, China will need ever increasing quantities of material for national reconstruction. China's ability to pay will increase in proportion with the development of production. Trade possibility with China would be very great and future prospect very bright if the embargo could be lifted, trade discrimination policy amended, normal international trade restored, mutual confidence among nations re-established, and if Western nations and all other countries in the world, including the United States of America, were willing to supply China with the material she needs.

Far East Reporter adds to the above Excerpts from the book "Trade With China" some later documentation of

CHINA'S INCREASING WORLD-WIDE TRADE & ECONOMIC RELATIONS

August 1957

The first British imports to arrive on the mainland since Britain lifted the trade embargo (were) 47 fifteen-ton Austin trucks...Another shipment of 35 trucks will arrive from Britain August 21. (UP NYTimes 8.9.57)

September 1957

A West German trade delegation, the first to visit Communist China (arrived) - 9 industrialists, trade and banking officials. (Reuters NYTimes 9.1.57)

Communist China was not invited to the Malayan independence celebrations but appeared anyway through the back door, bringing something much more interesting than just plain diplomats. The "representatives" were toothpaste, canned delicacies, crockery, lathes, toys, basket balls, vacuum bottles...at a Malayan trade fair....About 30,000 people a day - more than came to see the independence celebrations yesterday - made it (the Chinese exhibit) the hit of the fair....There are carpets, jade, cameras, radios....Even though no Chinese diplomats appear at banquets and garden parties Peiping is probably quite satisfied with the job its "representatives" do in the long shed a few miles away from the capital city. (NYTimes 9.2.57)

Chinese textile experts headed by the Vice-Director of the China National Import Export Corporation arrived in London last night...Another 20 are scheduled to arrive before the end of the month. They were invited by the Sino-British trade committee and other British trade organizations. (Hsinhua 9.7.57)

A Ceylonese delegation is in Peking negotiating a new trade agreement to replace the rubber-for-rice pact between Ceylon and Red China that ends this year. Since 1952 China has been buying 50,000 tons of Ceylonese rubber a year at prices above the world market. China has indicated that she would be prepared to buy Ceylonese rubber with rice, coal and cement and to bridge any gap in such payments with economic aid - which has been offered partly in machinery, equipment and technical skills and partly in consumer goods. (NYTimes 9.7.57)

Communist China is buying \$2,800,000 worth of Uganda cotton.
(AP NYT 9.8.57)

A new drive by Europe's chief trading nations to develop trade with Communist China was started with the arrival of a French economic delegation in Peking. The 16 man French delegation was headed by Henri Rochereau, president of the Commission on Economic Affairs of the French Republic. It included representatives of leading French industrial manufacturers.
(NYTimes 9.3.57)

The Japanese Government has lifted the ban on the export of petroleum pipes and large electric motors to Communist China.
(Reuters NYTimes 9.13.57)

Thirteen Japanese companies have contracted to buy 400,000 tons of coal from Communist China.
(NYTimes 9.15.57)

Great Britain said tonight that a delegation from Red China will come here in mid-October to discuss increasing trade in non-strategic goods.
(AP NYTimes 9.26.57)

A West German trade agreement was signed today with Communist China calling for an exchange of 250,000,000 marks (\$59,525,000) worth of goods.
UP NYHer Trib 9.28.57)

October 1957

The chairman of the East Committee of the Federation of German Industries returned from Peking and reports a planned expansion of trade between West Germany and Communist China. "The potential market for German goods in China is very great", he said. West Germany is now China's most important customer in Europe.
(NYTimes 10.1.57)

Frederick J Erroll, Parliamentary Secretary to the British Board of Trade, arrived today (in Peking) for a three week visit to Communist China "to study the long term prospects of increasing Sino-British trade". (Reuters NYTimes 10.7.57)

A 7 man Finnish trade delegation arrived in Peking today.
(Hsinhua 10.9.57)

Thailand's Minister of Economic Affairs in a press statement (10.4.57) said Thailand will do its best to trade with all countries, including China. (Hsinhua 10.10.57)

Communist China and Morocco have reached a trade agreement for 1958...The North African kingdom would send phosphate, superphosphate, fertilizer, frozen mutton, cotton, wheat, sardines and oil in exchange for tea, cotton cloth, machinery and silk. (AP NYTimes 10.16.57)

Jordan bought three Chinese made Liberation trucks at the Chinese Export Goods Fair in Cairo. (Hsinhua 10.18.57)

One of the most significant aspects of China's foreign trade is that she is now displacing Japan in Southeast Asian markets...China is now earning millions of dollars a month in Hongkong trade - China's major source of foreign currency; Malaya and Singapore are a second major source.

(NYTimes 10.29.57)

China and India have made a trade agreement covering 100 items.

(NYTimes 10.29.57)

November 1957

Sweden will export machinery, instruments, and industrial and electrical equipment to Communist China in return for textiles, fibres and minerals. A trade agreement was signed today in Stockholm. (Reuters NYTimes 11.9.57)

Communist China announced that it had fulfilled its 1st 5 Year Plan for foreign trade two months ahead of the dead line next January 1...Imports stood at 105.07% of the planned total and exports at 100.27%. During the 5 year period 77.9% of China's foreign trade was with the Soviet Union and other Communist countries. Trade with Asian and African countries is expected to be 88.5% higher this year than in 1956....China's exports amounted to about 3% of the total value of industrial and agricultural production.

(AP NYTimes 11.28.57)

Communist China and Morocco have reached an accord for 5,880,000,000 francs (about \$14,000,000) in trade exchanges, it was announced in Rabat tonight. (Reuters NYTimes 11.24.57)

More British business men have been in Peking during the last few weeks than at any other time since..1949.

(Reuters NYT ,0.26.57)

December 1957

Communist China and Denmark signed a trade and payments agreement today....Each government granted the other most favored nation treatment on customs and navigation.

(Reuters NYTimes 12.2.57)

Dr Chi Chao-ting, chief of a Chinese "window-shopping" delegation hinted China would like to buy atomic equipment from Britain...Dr Chi's group has been in Britain since September 5th. Its members visited 250 factories, laboratories, research and education centers.

(UP NYTimes 12.3.57)

Egypt and China signed today a trade agreement calling for an exchange next year of \$72,000,000 worth of goods.

(UP NYHer Trib 12.23.57)

A Sudanese trade delegation led by the Minister of Commerce, Industry & Supply arrived in Peking today, with 6 members.

(Hsinhua 12.27.57)

Diesel engines which are still among the items under American embargo as not for sale to China have been exported from China to Egypt and Syria. China has also exported whole sets of Chinese-made machinery for knitwork, cotton textiles and soap factories to Indonesia, Egypt and Burma. China's heavy industry this year has sent abroad many more tube threading dies, screw dies, grinding machines, shapers and other products which, only five years ago, had to be imported.

Fourteen types of radios have been exported in great quantity. Analytical balances with a fineness of one in 10,000 and even one in 20,000 and microscopes giving 1500-fold amplification are exported. Contracts for supplying rubber tyres have been concluded with 10 countries including Rumania, Finland, Burma, Ceylon and Syria. (Hsinhua 12.30.57)

January 1958

The first consignment of China-made electronic tubes for export have just been despatched to Egypt and Singapore.

(Hsinhua 1.1.58)

Canada may be able to sell "a certain quantity of wheat" to Communist China this year, Trade Minister Gordon Churchill informed the House of Commons; a report to that effect had been received from the Canadian trade commissioner at HongKong who had recently explored trade prospects in China.

(AP NYTimes 1.10.58)

SOME FURTHER FACTS FOR THE USA TO PONDER

CHINA'S TRADE RELATIONS WITH THE SOVIET UNION

Both Communist China and East Germany, the SU's two largest trading partners, had a greater volume of foreign trade with the SU last year than did all the 20 developed capitalist nations together...SU trade with China: - 1950: \$576,000,000; 1955: \$1,391,000,000; 1956: \$1,487,250,000.

(NYTimes 12.22.57)

CHINA'S ECONOMIC RELATIONS WITH HER ASIAN NEIGHBORS

She has granted economic aid to North Korea and North Vietnam (each \$322,000,000), to Outer Mongolia (\$40,000,000), to Cambodia (\$22,400,00), to Nepal (\$14,000,000), to Ceylon (\$12,000,000) and has (1.8.58) offered Indonesia a loan of \$20,000,000 which a high Indonesian official says will probably be accepted, probably for the establishment of a textile factory.

India and China are building the first automobile road linking Tibet and India (NYTimes 1.3.58). China and North Vietnam signed a protocol for the joint use of the 530 mile railway linking the port of Haiphong with far southwestern Kunming (NYTimes 1.13.58) China and Burma maintain commercial air service.

CHINA IS TRADING WITH AMERICA - SOUTH AMERICA, THAT IS

In October 1956 the NYHer Trib reported a Chinese mission in Brasil, setting up terms for direct trade. The Chinese said "the biggest country in Asia should trade with the biggest country in South America". The deals are to be on the basis of sterling. Among the participants in the discussion were the American cotton dealers, Anderson, Clayton & Co and another American firm prominent in Latin American trade.

On August 14th 1957 Chile announced that it would make copper available to Communist countries. On Sept 16th four Chinese representatives were in Santiago conferring on possible purchases with the Minister of Foreign Relations and with the Director of the Economic Department.

(NYTimes 9.18.57)

Communist China will establish a trade and commerce office next week in Montevideo, capital of Uruguay - the first foothold to be obtained by Communist China in the Western hemisphere. It will serve as a headquarters for Communist China for conducting trade with the Latin American republics.

(NYHer Trib 10.5.57)

The Argentine Government has begun a detailed study of trade possibilities with Communist China, it was announced. (NYTimes 10.30.57)

"TRADE CAN'T BE STOPPED: YOU'RE GOING TO HAVE AUTHORIZED TRADE OR CLANDESTINE TRADE"

(Pres Eisenhower - Press Conference 6.5.57)

"HOLE IN THE DYKE" Bonn. Intelligence reports reaching here point to the revival of the Portuguese colony of Macao as a vital channel for trade between Red China and Western Europe. This is one of the latest developments in the gradual loosening of the China trade embargo by the US' European allies. (NYHer Trib 10.18.57)

"RED CHINA TRADE LOOPHOLE" Hongkong. There's a loophole in the US embargo on trade with Red China. It's this: the US honors for import goods listed as "manufactured" in Hong-Kong. In June, the US approved that the goods "manufactured" might be "of any origin". The specific reference was to silk and some traders here are exploring the possibility of crashing the mainland market - they would buy the raw silk from Red China, finish the article in Hongkong - and then ship it to America - legally. (NYHer Trib 11.5.57)

"WHO'S FOOLING WHOM?" Hongkong. Intelligent refugees from Red China report that the Red China libraries are full of American technical and scientific publications. How they get there is a mystery since there is meant to be a complete embargo on such books going behind the iron curtain. These refugees report that libraries in Red China are much better stocked with American books than the US Information Service in friendly Asian countries. (NYHer Trib 12.11.57)

"MENDING THE BAMBOO CURTAIN" Washington. American individuals and firms doing business with Communist China in violation of the US trade embargo with Peiping are under a new policy of close scrutiny. In particular, the Commerce Department is studying what to do with Americans with financial investments in Japanese companies that trade with Communist China. (NYHer Trib 11.11.57)

"MORE ON THE TRADE EMBARGO" Vienna. Western intelligence experts report that one of the latest trade deals in strategic material by a non-Communist nation with Red China will involve the shipment by Japan of about 128,000 ball bearings. (New York Her Trib 12.11.57)

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